

TRANSITION DOCUMENT

Department Name: Louisiana Department of Revenue

Website: www.rev.state.la.us

Secretary: Mrs. Cynthia Bridges **Phone Number:** 225-219-2701

Undersecretary: Mr. Stephen Hymel **Phone Number:** 225-219-2710

Mission:

To administer applicable laws and collect revenues to fund state services.

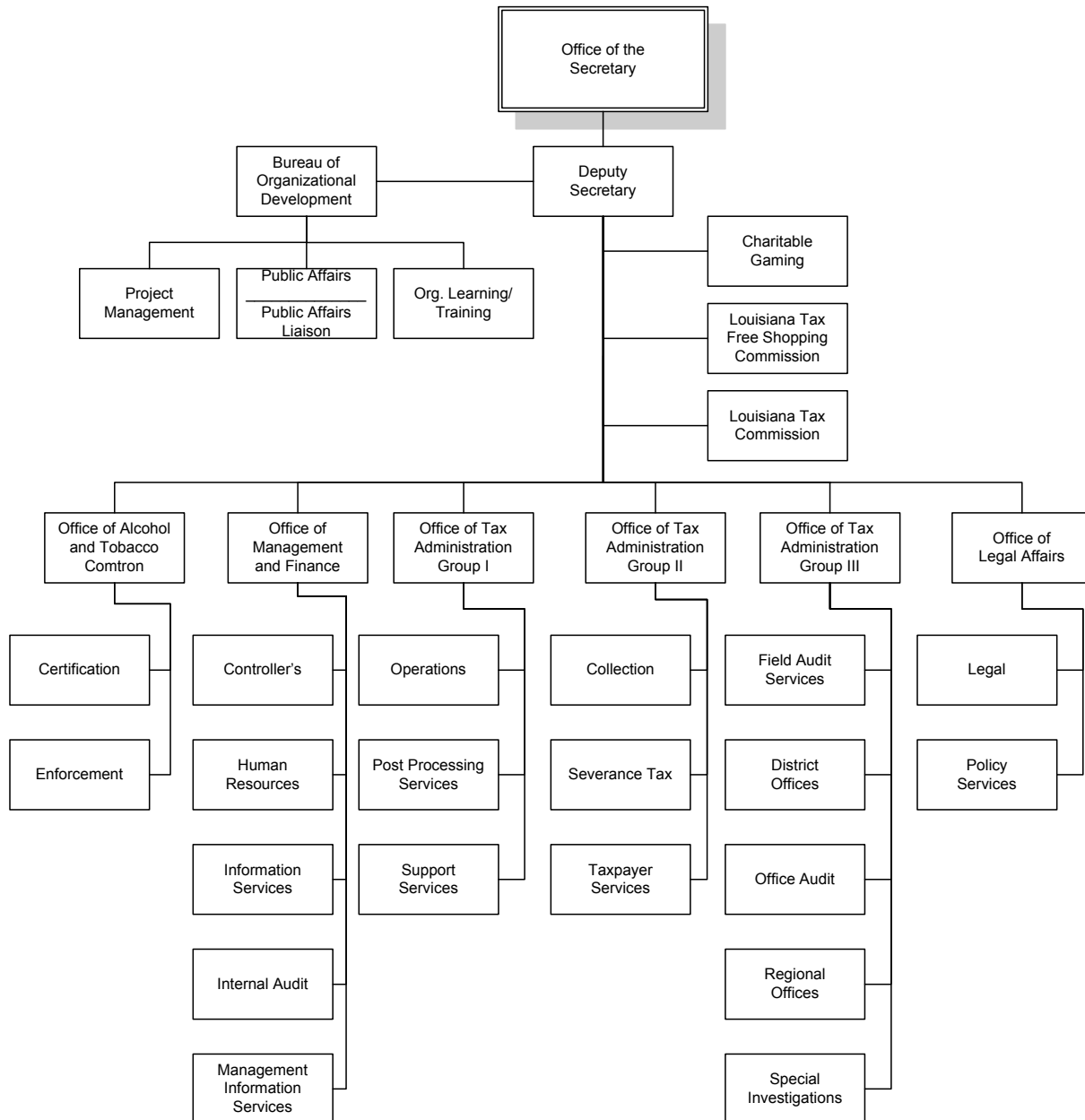
Philosophy:

The vision of the Louisiana Department of Revenue is to be recognized as a leader in customer service through a unified effort of dedicated employees and continuous improvement.

The mission of the Louisiana Department of Revenue is to administer applicable laws and collect revenues to fund state services and programs. To this end, the Department has pledged the following commitments as its overall philosophy and values in the pursuit of its mission:

- Unity –One team working together to accomplish common goals
- Communication –An environment that encourages an ongoing creative exchange of ideas between employees and management
- Responsiveness –A focus on identifying and satisfying internal and external customer needs
- Professionalism –A reputation with internal and external customers of fairness, courtesy, and reliability
- Integrity –An ethical standard of honesty and consistency
- Trust –A mutual respect and a shared confidence between managers and all fellow employees

High Level Organization Chart:



High Level Description of Agencies/Division and Responsibilities:

The Department is organized into eight management groups: the Office of the Secretary; the Office of Legal Affairs; the Office of Management and Finance; the Office of Tax Administration, Group I; the Office of Tax Administration, Group II; the Office of Tax Administration, Group III; the Office of Charitable Gaming; and the Office of Alcohol and Tobacco Control.

The Department of Revenue receives funding for three programs: tax collection, alcohol and tobacco control, and charitable gaming.

The Tax Collection Program comprises the Department's entire tax collection effort and includes the Office of Management and Finance, the Offices of Tax Administration, Groups I, II, and III, and the Office of Legal Affairs. The Office of Management and Finance handles all accounting and personnel functions, computer services, and internal audits. The Office of Tax Administration, Group I, is responsible for processing all tax returns and remittances and for providing all postal services. The Office of Tax Administration, Group II, is responsible for providing billing and collection of all tax revenues and for providing taxpayers with assistance when inquiring about their accounts. The Office of Tax Administration, Group III, is responsible for all audit functions that discover and recover tax revenues that would otherwise go unreported and uncollected. Group III is also responsible for providing taxpayers with full-service offices in all regions of the state. The Office of Legal Affairs is responsible for drafting and reviewing all contracts, rules, regulations, and tax legislation, and representing the Department in tax litigation cases in courts and before the Board of Tax Appeals.

The Alcohol and Tobacco Control Program regulates the alcoholic beverage and tobacco industries in the state; licenses alcoholic beverage manufacturers, native wineries, retailers, and wholesalers, as well as retail and wholesale tobacco product dealers; and enforces state alcoholic beverage and tobacco laws.

The Charitable Gaming Program is responsible for issuing and renewing annual state licenses required for organizations conducting games of chance, such as charitable raffles and bingo. The office also monitors licenses for compliance with gaming laws and regulations and trains gaming organizations in the proper use of the Uniform Accounting System.

High Level FY 2004 Budget:

Office of Revenue FY 2003-04 Initial Budget @7/1/03

Before BA-7 Carryforwards

	<u>Tax</u> <u>Collection</u>	<u>Alcohol &</u> <u>Tobacco Control</u>	<u>Charitable</u> <u>Gaming</u>	<u>Total</u>
GENERAL FUND BY:				
Direct	\$39,536,381	\$0	\$0	\$39,536,381
Interagency Transfers	83,146	165,000	0	248,146
Fees and Self Generated	31,942,682	4,940,952	1,098,344	37,981,978
Statutory Dedication	0	0	0	0
FEDERAL FUNDS	5,000	240,000	0	245,000
TOTAL BUDGET REQUEST	\$71,567,209	\$5,345,952	\$1,098,344	\$78,011,505

Salaries	30,595,883	3,098,933	653,055	34,347,871
Other Compensation	2,615,231	25,755	12,000	2,652,986
Related Benefits	8,170,541	621,356	148,020	8,939,917
Total Personal Services	41,381,655	3,746,044	813,075	45,940,774
Travel	852,658	49,239	25,165	927,062
Operating Services	14,016,371	570,763	136,828	14,723,962
Supplies	660,000	41,362	9,927	711,289
Total Operating Expenses	15,529,029	661,364	171,920	16,362,313
Professional Services	1,255,670	398,000	80,367	1,734,037
Other Charges	4,390,594	66,217	0	4,456,811
Acquisitions	51,014	263,000	5,000	319,014
Interagency Transfers	8,959,247	211,327	27,982	9,198,556
TOTAL	\$71,567,209	\$5,345,952	\$1,098,344	\$78,011,505

Positions

Classified	795	73	18	886
Unclassified	19	2	0	21
Total Positions	814	75	18	907

Significant Accomplishments:

GenTax Implementation:

GenTax is a new integrated tax processing and accounting system customized for Louisiana. The Louisiana version, DELTA, is being implemented over three years and will include the twenty (20) largest taxes and enhance functionality.

Tax Delinquency Amnesty Program:

Pursuant to Act 136 of 2001 Regular Session, 38,520 applications were processed collecting \$192,901,000.

Agency Relocation:

Without any loss of processing time or citizen services, Department Headquarters relocated to the new LaSalle Building downtown and the IT Data Center relocated to the Department of Public Safety campus. The Offices of Alcohol Tobacco Control, the Baton Rouge Region, and Charitable Gaming were centralized at a new location on Essen Lane.

Transfer of ATC and Charitable Gaming from Public Safety

Transferred in 1995 and 2000, respectively, both entities are now completely funded by non-General Fund sources of revenue.

Enhanced Taxpayer Services:

- **Electronic filing, payment, and debit transfers for businesses and individuals**
- **Website enhancements**
- **Volunteers Income Tax Assistance (VITA) Program**

Enhanced Collection Efforts:

- **Federal Refund Offset Program**
- **Contract with in-state collection vendor**
- **Contract with out-of-state collection vendor**
- **Advanced training in computer assisted audits and audit sampling techniques**
- **Establishment of Cybershame Program (electronic publication of delinquent taxpayers)**
- **Establishment of Alternative Dispute Resolution procedures**

Department and Division Reorganization

- **Tax divisions to Taxpayer Services Division**
- **Creation of Policy Services Division**
- **Creation of Bureau of Organizational Development which included the establishment of a Training Section**
- **Creation of Office Audit Division**

Technology Advancements

- **Upgrade of processing equipment: Key from Image, Mail Opening/Sorting**
- **Expansion of employee production databases**
- **Establishment of I-Net Administration Team**

- Establishment of IT Executive and Governance Committees
- Establishment of RevNet (Department Intranet)
- Development of Amicus Case Management System, Legal Division
- E-transmission to Bankruptcy Courts
- Establishment and implementation of Total Knowledge Management System
- Electronic distribution of press releases

Total Knowledge Management: Installation and implementation of a total knowledge management system.

Work in Progress:

Implementation of DELTA

Louisiana's version of GenTax; implementation through 2005.

Development of electronic filing, payments, debits, signatures for additional tax types

Development of processing enhancements

- 2D Barcoding
- Off-Line Character Recognition

Assignment of collectibles to the La. Department of Justice

Expansion of NSF check recovery through the La. District Attorney's Association

Development of Personnel Performance Review instrument and process to allow pay-for-performance

Research and development for establishing a call center.

Development of a comprehensive IT internal audit / security team

Agency-wide installation of multi-function units (combined printing, copying, scanning, fax)

Research and development for establishment of an audit tracking system

Total Knowledge Management (TKM): Implementation of enhanced version of knowledge management software, capture of organization's intellectual capital, training through web-enabled collaboration, and utilization of the performance support component of the system .

Challenges:

Collecting sufficient Self-Generated funds from penalties to fund budget

Full implementation and additional enhancements of DELTA.

Reorganization of IT management structure.

Human Resources issues:

- **Continuous retraining of employees**
- **Recruiting, retaining qualified employees**
- **Adequate succession planning and implementation**

Shared database with the Department of Natural Resources and Secretary of State's Corporate Division

Developing interface between ISIS and DELTA.

Developing expanded and more sophisticated audit procedures and tools to match advancing business technologies

Establishment of a Data Warehouse with Data Mining capabilities

Online taxpayer access to taxpayer accounts

Total Knowledge Management (TKM): Capture of the intellectual capital of pending retirees to incorporate the organization's knowledge base into a viable, accessible, performance support mechanism via the knowledge management system to continue a high level of performance and productivity in future employees.